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TAGS: [MASS](#) [PREL](#) [MOPS](#) [PGOV](#) [KCRM](#) [BK](#) [SI](#)
SUBJECT: BOSNIAN DEMINING INVESTIGATION UPDATE:
INVESTIGATION INITIATED, PM/WRA VISIT, KOJIC RAID

REF: A. STATE 495

[1](#)B. 06 SARAJEVO 2907
[1](#)C. 06 SARAJEVO 2706

Classified By: Ambassador Douglas McElhaney for reasons 1.4 (b) and (d)

SUMMARY

[1](#)1. (S/NF) In consultations regarding investigations into allegations of misconduct by organizations involved in demining, State Prosecutor Jurcevic and SIPA officials informed us that they would begin investigatory work shortly. Both organizations again pledged to undertake a thorough and complete investigation of the allegations of malfeasance and corruption. PM/WRA Director Richard Kidd also visited Bosnia to inform post, prosecutors, and the State Investigation and Protection Agency (SIPA) of the Department's activities in connection with the investigation. Separately, NATO and EUFOR raided the residence of Radomir Kojic and seized documentation related to his possible activities in support of the Radovan Karadzic network. End Summary.

INVESTIGATION IN PRELIMINARY STAGES

[1](#)2. (SBU) Embassy held initial consultations with the State Prosecutor and SIPA over the scope of the investigation into possible misconduct by organizations involved in demining. State Prosecutor Marinko Jurcevic informed us that "Case KTA 46" was officially opened though he had yet to appoint a prosecutor to oversee the investigation. He agreed that the investigation should be broad-based, and kept entirely separate from the ongoing Kojic matter. Jurcevic planned to formally task SIPA to undertake a full investigation later in the week. In a separate conversations with SIPA, Director Sredoje Novic told LEGATT that he had long heard of serious improprieties by organizations involved in demining and that he was pleased that the USG was pushing Bosnian authorities to examine these activities.

PM/WRA VISIT

[1](#)3. (SBU) PM/WRA Director Richard Kidd visited Sarajevo

February 6-7 to discuss his office's efforts in support of the demining investigation with SIPA Director Novic and the state prosecutors handling the Kojic case. Kidd stressed that a full investigation by Bosnian law enforcement officials is important, but noted that the process should not become politicized. Kidd emphasized that it was of importance both to the USG and Bosnia that demining work continue, and that any investigation should not destroy the institutions, especially the International Trust Fund (ITF), that undertake demining work. Kidd informed the officials that Department had contracted a firm to undertake independent evaluations of demining firms accredited to BHMAC. Kidd explained that the contractor, Quality Solutions International (QSI), would complete on the ground surveys of the demining firms and assess their capacity and competency to legitimately engage in demining work. All firms not meeting minimum criteria would be barred from receiving tenders. Kidd also said that the March tender process would go forward, and a representative from his office and the Department's Contracting Office (AQM) would travel to Sarajevo to participate in the tender and evaluate any flaws in the process.

14. (SBU) Novic noted that this investigation would be the biggest case SIPA had undertaken in some time and thanked the USG for referring the matter to Bosnian law enforcement authorities. Novic agreed that resolving the allegations was of utmost importance to Bosnian citizens, and took into account the message that the investigation should not cripple the demining process. Novic said that he had decided to assign two SIPA investigators full-time to the case and his organization could be counted on for "full and complete cooperation, and a full dedication of resources." Novic stated that the investigation could lead to other countries, and was reassured to hear from Kidd that the matter had

already been addressed with Slovene authorities.

15. (SBU) The state prosecutors handling the Kojic case re-hashed their progress to date and again raised their request for USG documentation to assist the prosecution. (Note. We received the documents on February 9 and we presented them to prosecutors on February 12. End note.) They stressed that their investigation is currently focused on the events from 1997-2003, and that they had a witness and further evidence to back up their money-laundering and embezzlement charges against Kojic. While they had little evidence of more current misconduct, they expressed a general concern with demining organizations not acting in full accordance with Bosnia tax and labor laws. (Note: In response to these similar concerns ITF changed its tendering processes in 2005 to require all competitors for tenders to submit proof of proper registration and payment to Bosnian authorities. End note.) The prosecutors again noted that they believed the demining firms Terra-Prom and Medecom had been established by Kojic and his associate Radilsav Illic to steer around their ban on demining work.

NATO AND EUFOR TARGET KOJIC

16. (S/NF) Separately, NATO and EUFOR conducted a raid of Kojic's home in Pale and seized documents and computer hardware possibly related to his alleged support of PIFWC Radovan Karadzic. The raiding force, led by NATO but composed primarily of Italian Carabinieri attached to EUFOR, spent six hours in Kojic's home but did not detain him. The seized items will be further analyzed and NATO and EUFOR will determine if follow-up action is required. According to NATO officials, there was strong suspicion that since his release from pre-trial custody in December, Kojic had likely become re-engaged in the Karadzic support network. NATO HQ's preliminary assessment of the raid is that it was successful. Bosnian state prosecutors were not consulted on the raid.

COMMENT

17. (SBU) It is a positive signal that both the State Prosecutor and SIPA consider the investigation into alleged misconduct by some organizations involved in demining to be of the highest priority. While we realize that we need to follow-up with the authorities to keep the investigation on track, their initial reaction to our request indicates that they will pursue a full, thorough, and transparent investigation. Neither Jurcevic nor Novic has given any indication that they will use the investigation for political ends, nor will they feel compelled to continue to pursue the matter if they find no or little evidence of malfeasance. PM/WRA's visit highlighted this spirit of cooperation, and all parties, commitment to moving the demining process forward while fully examining all concerns over misconduct and fraud. In the near term, we also expect to deal with fall-out as word of the prosecutor's investigation and the QSI review circulates throughout the demining community. We have already been approached by one head of demining training firm, who told us that ITF had informed him of the upcoming QSI inspection and asked for further clarification. Director Kidd agreed with Post's concerns that equipment could be shifted from one organization to another to present the impression of more capability than is actually the case. He indicated that QSI would be directed to take all feasible steps to prevent and/or detect such actions.

Office Director Richard Kidd has cleared on this cable.
MCELHANEY